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## **CHANGE SOUGHT ON STATE PROJECTS** ***MORE PUBLIC-PRIVATE PARTNERSHIPS BEING PROPOSED BY GOVERNOR***

By Judy Lin  
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Gov. Arnold Schwarzenegger on Wednesday proposed an expanded push for public-private partnerships and set a goal to add 20,000 new engineers to California's work force as part of his upcoming January budget plan.

The Schwarzenegger administration wants the state to expand the types of public projects that can be built with the financial might of private companies.

Current law does not allow state government broad authority to use this type of contracting – known as a Performance Based Infrastructure – except in emergencies or through legislative approval.

Unions representing state engineers oppose outsourcing road projects, arguing that private firms will seek profits at a greater cost to taxpayers.

But state finance officials believe increasing contract flexibility will result in better services, faster delivery and lower cost to taxpayers.

"California must improve its infrastructure," Schwarzenegger said in a statement. "The bonds approved by voters last year marked the first major investment in California's infrastructure in decades, but the job is far from finished. Better infrastructure enhances our quality of life, meets the demands of our population and keeps our economy competitive."

The governor will expand on his proposals in his State of the State speech, scheduled for Jan. 8.

California voters approved \$42 billion in infrastructure bonds in November 2006, but the state Finance Department estimates the state needs \$500 billion to pay for its infrastructure needs over the next two decades.

Complementing the governor's public-private partnership proposal is a plan to train 20,000 new engineers over the next decade.

Currently, the Labor and Workforce Development Agency projects a shortage of 40,000 engineers by 2014.

The administration's proposal includes making it easier for military service members to get certified at the University of California and California State University systems, funding new apprenticeship programs at community colleges, and building more engineering-focused charter schools.

In promoting public-private partnerships, Schwarzenegger is calling for the establishment of an infrastructure center to help determine which projects can benefit from Performance Based Infrastructure.

The quasi-independent agency, dubbed "PBI California," would be responsible for negotiating and monitoring projects.

David Crane, the governor's special adviser on jobs and economic growth, said PBI California was inspired by Infrastructure Ontario, a center in Canada that has used public-private partnerships to save between 8 and 10 percent on construction of courthouses, hospitals and government buildings.

It would require startup funding from the state but then recoup operating costs through fees, Crane said.

Still, Californians favor keeping highways publicly owned, said Bruce Blanning, executive director of Professional Engineers in California Government, which represents 13,000 engineers and professionals who work for the state.

Private-public highway partnerships have cost taxpayers in the past when firms don't reap the kinds of profits they expect, Blanning said.

In rebuilding the Bay Area's collapsed interstate overpass in just 26 days back in April, Blanning said it was Caltrans engineers who redesigned the bridge and public inspectors who made sure the contractor met all the construction requirements.

"That was not a public-private partnership," Blanning said.